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Guy M. Hicks
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October 4, 1999

EXECUTIVE SECRETARY

VIA FACSIMILE AND HAND DELIVERY

Gary Hotvedt, Esq.
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: *Petition by ICG Telecom Group, Inc.. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996*
Docket No. 99-00377

Dear Mr. Hotvedt:

I am in receipt of ICG's supplemental filing of Mr. Starkey's testimony concerning the reciprocal compensation issue. In his cover letter, Mr. Walker states that ICG's data requests regarding BellSouth.net are relevant because BellSouth's proposed inter-carrier compensation plan is designed "to give BellSouth.net an unfair competitive advantage over other Internet service providers...." Obviously, BellSouth disagrees with this assertion, but will leave such a discussion for the hearing. The relevant question at this stage of the proceeding is whether ICG's data requests are proper. BellSouth continues to contend that the requests seek information that is not relevant and not likely to lead to the discovery of admissible evidence, and therefore are improper.

Mr. Starkey's testimony itself demonstrates that ICG's questions are overreaching. The premise of Mr. Starkey's argument (however ill-founded) is that BellSouth's inter-carrier compensation plan will benefit BellSouth.net in that BellSouth will not have to raise the prices charged to BellSouth.net to cover the compensation payments because BellSouth's "mature" customer base can offset any extra costs. He further contends that the proposed plan benefits BellSouth.net because the majority of BellSouth.net's customers are BellSouth residential customers, and thus BellSouth will not need to pay compensation to another provider.

One of the most transparent fallacies in Mr. Starkey's argument is that ICG easily could remedy his alleged concern by actually serving residential customers in the state of Tennessee.

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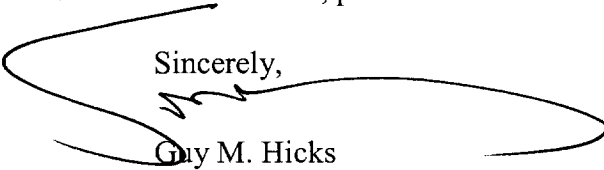
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ICG obviously has no interest in providing such service. With respect to the discovery question, assuming ICG's theory has merit, the means by which BellSouth.net actually provisions service to its end-users has no bearing on the theory. ICG's argument rests purely on the fact that BellSouth.net is affiliated with BellSouth. The equipment used by BellSouth.net, its network architecture, etc. (about which ICG asked in data requests) are all irrelevant to ICG's theory in particular, and this proceeding in general. The submission of Mr. Starkey's testimony does no more than highlight the fact that ICG is using discovery to conduct a fishing expedition into the business plan of one of its competitors.

If you have any further questions about this matter, please let me know.

Sincerely,



Guy M. Hicks

cc: Langley Kitchings
Henry Walker, counsel for ICG

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